

DORSEY, KING, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)
FRANK N. KING, JR.
STEPHEN D. GRAY
WILLIAM B. NORMENT, JR.
J. CHRISTOPHER HOPGOOD
S. MADISON GRAY

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March 11, 2010

RECEIVED

MAR 15 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Executive Director
Public Service Commission of Kentucky
Post Office Box 615
Frankfort, Kentucky 40602

2010 - 00113

Re: Henderson County Water District
Application for Purchased Water Adjustment

Dear Mr. DeRouen

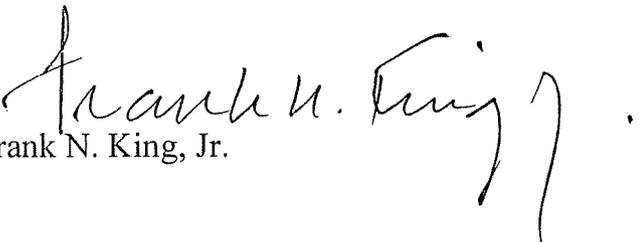
Enclosed please find an original and 10 copies of an application for a purchased water rate adjustment for Henderson County Water District, to be effective April 1, 2010. We request notification that this application meets minimum filing requirements and has been assigned a case number.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By


Frank N. King, Jr.

FNKJr/cds

Encls.

COPY/w/encls.: Henderson County Water District
Attorney General, Office of Rate Intervention

RECEIVED

MAR 15 2010

PUBLIC SERVICE
COMMISSION

**PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)**

Name of Utility	Henderson County Water District	
Date	March 10, 2010	
Address	Post Office Box 655 655 South Main Street	
City, State, Zip	Henderson, KY 42419	
Telephone Number	(270) 826-9802	

1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate schedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
Henderson Water Utility - North	\$1.6903	\$2.1119
Henderson Water Utility - South	\$2.0506	\$2.1833

1.b. A copy of the supplier's notice of the changed rate showing the effective date of the increase is attached as Exhibit A.

2. Twelve-month period upon which the purchased water adjustment is based. (This twelve-month period must end within 90 days of this filing).

From	January 2009	through	December 2009
	(month and year)		(month and year)

3. Statement of water purchases. Where water is purchased from more than one supplier, purchases from each supplier must be shown separately. If water is purchased through a declining block rate schedule, purchases for each month must be shown. Attach an additional sheet if necessary.

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Supplier(s)	Gallons Purchased during 12 month period
Henderson Water Utility - North	492,532,360
Henderson Water Utility - South	57,764,800
TOTAL PURCHASES	550,297,160

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4. Total sales for the 12 month period	396,648,889
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5. Increased water cost	\$215,317.03
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The increased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

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6. Purchased water adjustment factor	0.054
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The purchased water adjustment factor is obtained by dividing the increased cost of water by the total gallons sold. See attached Exhibit B for data responsive to items 3, 4, 5 and 6.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates. See attached Exhibit C

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7. Proposed effective date	April 1, 2010
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Signature of Utility Officer

David W. Moore,
Superintendent

Title

HENDERSON WATER UTILITY

Water • Wastewater • Stormwater

MANAGED BY THE CITY OF HENDERSON WATER & SEWER COMMISSION

A. LEASON NEEL, CPA
CHIEF FINANCIAL OFFICER

December 29, 2009

Mr. David Moore
Henderson County Water District
655 South Main Street
P.O. Box 655
Henderson, Kentucky 42420

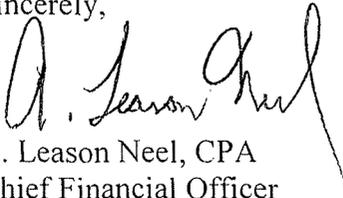
Dear Mr. Moore:

In accordance with the contract between the Henderson Water and Sewer Commission and the Henderson County Water District, the costs of providing water services based on our 2008-2009 fiscal year audit have been calculated by our auditors, McElroy, Mitchell & Associates, LLP for our North and South Water Systems. Enclosed is a copy of each individual letter highlighting their calculations. The following table summarizes the current versus the new rates:

Henderson County Water District		
	Current Rate Per 1,000 Gallons	New Rate Per 1,000 Gallons
North	\$1.6903	\$2.1119
South	\$2.0506	\$2.1833

These revised rates are to go into effect on the first billing after March 31, 2010. We appreciate the opportunity to serve the Henderson County Water District. If you have questions concerning this letter please contact me.

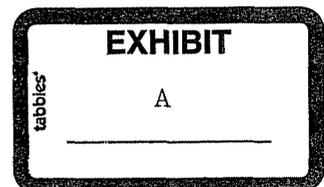
Sincerely,



A. Leason Neel, CPA
Chief Financial Officer

Enclosures

c: Mr. Bruce Shipley



Henderson County Water District

<u>SUPPLIER</u>	<u>NEW RATE</u> (per 1,000)	<u>OLD RATE</u> (per 1,000)
Henderson North	\$2.1119	\$1.6903
Henderson South	\$2.1833	\$2.0506

TWELVE MONTH TEST PERIOD: January 2009 thru December 2009

<u>SUPPLIER</u>	<u>GALLONS PURCHASED</u> <u>DURING TEST PERIOD</u>
Henderson North	492,532,360
Henderson South	57,764,800
TOTAL	550,297,160

<u>SUPPLIER</u>	<u>COST AT</u> <u>NEW RATE</u>	<u>COST AT</u> <u>OLD RATE</u>	<u>INCREASED</u> <u>WATER COST</u>
Henderson North	\$1,040,179.09	\$832,527.45	
Henderson South	\$126,117.89	\$118,452.50	
TOTAL	\$1,166,296.98	\$950,979.95	= \$215,317.03

TOTAL GALLONS SOLD FOR THE TEST PERIOD : 396,648,889

Increased Water Cost / (total gallons sold / 1,000) = Purchased Water Adjustment Factor

$$\begin{array}{rccccccc}
 \$215,317.03 & / & 396,648,889 & /1000 & = & 0.542840376 \\
 & & & & & \text{ROUNDED} & \boxed{0.54}
 \end{array}$$

	<u>North</u>		<u>South</u>	
	<u>Sold</u>	<u>Purchased</u>	<u>Sold</u>	<u>Purchased</u>
January	-	44,607,000.00	-	3,972,400
February	-	40,262,000.00	-	6,640,700
March	-	40,566,000.00	-	4,329,800
April	-	37,006,000.00	-	5,637,600
May	-	42,891,000.00	-	7,211,800
June	-	42,740,000.00	-	5,910,900
July	-	40,397,000.00	-	6,737,100
August	-	38,752,000.00	-	8,479,100
September	-	39,229,590.00	-	3,734,200
October	-	41,237,410.00	-	311,200
November	-	41,566,940.00	-	2,216,100
December	-	43,277,420.00	-	2,583,900
TOTAL	-	492,532,360	-	57,764,800

EXHIBIT

B

FOR Henderson & Webster Counties
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. 1

CANCELLING P.S.C.KY.NO. _____

_____ SHEET NO. _____

Henderson County Water District
(Name of Utility)

RATES and CHARGES

<u>5/8" x 3/4" Meter</u>	
First 2,000 Gallons	\$15.81 Minimum Bill
Next 8,000 Gallons	6.02.00 Per 1,000 Gallons
Next 20,000 Gallons	5.55 Per 1,000 Gallons
Over 30,000 Gallons	5.09 Per 1,000 Gallons
<u>1 Inch Meter</u>	
First 5,000 Gallons	\$32.43 Minimum Bill
Next 5,000 Gallons	6.02 Per 1,000 Gallons
Next 20,000 Gallons	5.55 Per 1,000 Gallons
Over 30,000 Gallons	5.09 Per 1,000 Gallons
<u>2 Inch Meter</u>	
First 16,000 Gallons	\$90.55 Minimum Bill
Next 14,000 Gallons	5.55 Per 1,000 Gallons
Over 30,000 Gallons	5.09 Per 1,000 Gallons
<u>3 Inch Meter</u>	
First 30,000 Gallons	\$161.53 Minimum Bill
Over 30,000 Gallons	5.09 Per 1,000 Gallons
<u>4 Inch Meter</u>	
First 50,000 Gallons	\$253.73 Minimum Bill
Over 50,000 Gallons	5.09 Per 1,000 Gallons
<u>6 Inch Meter</u>	
First 100,000 Gallons	\$484.23 Minimum Bill
Over 100,000 Gallons	5.09 Per 1,000 Gallons

Date of Issue: March 10, 2010
Month/Date/Year

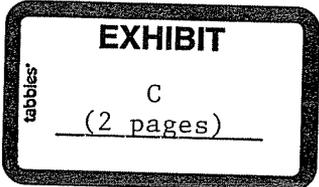
Date Effective: April 1st, 2010
Month/Date/Year

Issued by: _____

Title: Superintendent

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2010- _____ DATED _____



FOR Henderson & Webster Counties
Community, Town or City

P.S.C. KY. NO. _____

SHEET NO. 2

CANCELLING P.S.C.KY.NO. _____

_____ SHEET NO. _____

Henderson County Water District
(Name of Utility)

RATES and CHARGES

Volunteer Fire Department (Metered Services)

Flat Rate \$15.81 Maximum Bill

The monthly charge for water usage in excess of the respective minimum water rates set out above shall be computed in increments of 10 gallons. Accordingly, a customer having a 5/8 inch meter who consumes at least 2,010 gallons of water and not more than 2,019 gallons of water in any month shall pay the amount of \$15.86 for the month (\$15.81 plus \$0.05). A customer having a 5/8 inch meter who consumes at least 2,020 gallons and not more than 2,029 gallons of water in any month shall pay the amount of \$15.91 (\$15.81 plus \$0.10).

THE BASE RATE FOR PURCHASED WATER SHALL BE:

<u>Supplier</u>	<u>Rate</u>
Henderson Water Utilities (North) PWSID#0510188	\$2.1119 per 1,000 gallons
Henderson Water Utilities (South) PWSID#0510510	\$2.1833 per 1,000 gallons

Date of Issue: March 10, 2010
Month/Date/Year

Date Effective: April 1st, 2010
Month/Date/Year

Issued by: _____

Title: Superintendent

BY AUTHORITY OF ORDERS OF THE PUBLIC SERVICE

COMMISSION IN CASE NO. 2010- _____ DATED _____